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STATE FOR INL (JLYLE) AND EUR/SE

JUSTICE FOR OIA, AFMLS, AND NDDS

TREASURY FOR FINCEN

DEA FOR OILS AND OFFICE OF DIVERSION CONTROL

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SUBJECT: CYPRUS: 2009-2010 INTERNATIONAL NARCOTICS CONTROL STRATEGY REPORT (INCSR) PART I, DRUGS AND CHEMICAL CONTROL (EUR, SCA)

REF: STATE 97228

¶1. Per Reftel request, Post submits in para 2 below Part I (Drugs and Chemical Control) of the 2009-2010 INCSR. The report is based on an update of last year's published version.

¶2. BEGIN TEXT

INCSR PART I

Cyprus

¶I. Summary

Cyprus has been divided since the Turkish military intervention of 1974, following a coup d'etat directed from Greece. Since then, the southern part of the country has been under the control of the Government of the Republic of Cyprus. The northern part is controlled by a Turkish Cypriot administration that in 1983 proclaimed itself the "Turkish Republic of Northern Cyprus (TRNC)," recognized only by Turkey. The United States Government (USG) recognizes only the Government of the Republic of Cyprus and does not recognize the "TRNC." This report refers to the Government-controlled area unless otherwise specified.

Although Cypriots do not produce or consume significant amounts of narcotics, an increase in local drug use continues to be a concern. The Government of Cyprus traditionally has had a low tolerance toward any use of narcotics by Cypriots and continues to employ a public affairs campaign to remind Cypriots that narcotics use carries heavy costs, and users risk stiff criminal penalties. Cyprus' geographic location and its decision to opt for free ports at its two main seaports continue to make it an ideal transit country for legitimate trade in most goods, including chemicals, between the Middle East and Europe. To a limited extent, drug traffickers use Cyprus as a transshipment point due to its strategic location and its relatively sophisticated business and communications infrastructure. Cyprus monitors the import and export of dual-use precursor chemicals for local markets. Cyprus customs authorities have implemented changes to their inspection procedures, including computerized profiling and expanded use of technical screening devices to deter those who would attempt to use Cyprus' free ports for narcotics smuggling. A party to the 1988 UN Drug Convention, Cyprus strictly enforces tough counternarcotics laws, and its police and customs authorities maintain excellent relations with their counterparts in the USG and other governments.

II. Status of Country

Cypriots themselves do not produce or consume significant quantities of drugs. The island's strategic location in the eastern Mediterranean creates an unavoidable liability for Cyprus, as Cyprus is a convenient stopover for narcotics traffickers moving from Southwest Asia to Europe. Precursor chemicals are believed to transit Cyprus in limited quantities, although there is no hard evidence that they are diverted for illegal use. Cyprus offers relatively highly developed business and tourism facilities, a modern telecommunications system, and the ninth-largest merchant shipping fleet in the world. This year the Cyprus drug unit has reported the seizure of approximately 90,000 USD in illegal narcotics proceeds.

Drug-related crime, still low by international standards, has been steadily rising since the 1980's. According to the Justice Ministry, drug related arrests and convictions in Cyprus have doubled since 1998. Cypriot law calls for a maximum prison term of two years for drug users less than 25 years of age with no prior police record. Cyprus has adopted a program targeting the intervention of individuals between the ages of 14 to 24 who have been arrested as a result of use or possession of narcotics. They are doing this through national counseling centers for the individual and his/her family. In late 2005, the Courts began to refer most first-time offenders to rehabilitation centers rather than requiring incarceration. This still continues. Sentences for drug traffickers range from four years to life, depending on the substances involved and the offender's criminal record. In an effort to reduce recidivism as well as to act as a deterrent for would-be offenders, Cypriot courts have begun sentencing distributors to near maximum prison terms as allowed by law. For example, in the second half of 2004, the Cypriot Courts began sentencing individuals charged with distributing heroin and Ecstasy (MDMA) with much harsher sentences, ranging from 8 to 15 years.

Cypriot law allows for the confiscation of drug-related assets as well as the freezing of profits, and a special investigation of a suspect's financial records.

Cyprus' small population of soft-core drug users continues to grow. Cannabis is the most commonly used drug, followed by heroin, cocaine, and MDMA (Ecstasy), which are available in major towns. Through October 2009 there were 8 confirmed reports of drug-related overdose deaths in Cyprus. Of the eight deaths, seven were the direct result of an overdose and one was indirectly related to drugs. The use of cannabis and Ecstasy by young Cypriots and tourists continues to increase.

The Government of Cyprus has traditionally adopted a low tolerance toward any use of narcotics by Cypriots and uses a pro-active public relations strategy to remind Cypriots that narcotics use carries heavy penalties. The media reports extensively whenever narcotics arrests are made. The Republic of Cyprus has no working relations with enforcement authorities in the area administered by Turkish Cypriots. The U.S. Embassy in Nicosia, particularly the DEA, works with the Turkish Cypriot community on international narcotics-related issues. Turkish Cypriots have their own law enforcement organization responsible for the investigation of all narcotics-related matters. They have shown a willingness to pursue narcotics traffickers and to provide assistance when asked by foreign law enforcement authorities.

III. Country Actions against Drugs in 2009

Policy Initiatives. There were no new policy initiatives in 2009. Cyprus continued to implement its no-tolerance dangerous drugs policies, and to enforce its laws against drug abuse vigorously.

Law Enforcement Efforts. Cyprus aggressively pursues drug seizures, arrests, and prosecutions for drug violations. Cyprus focuses on major traffickers when cases subject to their jurisdiction permit them to, and readily supports the international community in efforts against the narcotics trade.

Cypriot police are generally effective in their law enforcement efforts, although their techniques and capacity remain restricted by tight budgets. U.S.-Cyprus cooperation is excellent and has yielded important results in several narcotics-related cases. Through the first nine months of 2009, the Cyprus Police Drug Law Enforcement Unit opened 540 cases and made 646 arrests. Of those arrested 445

were Cypriots the remainder were foreign nationals. DLEU seized approximately 155kg of cannabis, 725 cannabis plants, 76 kg of cannabis resin (hashish), 1.5 kg of cocaine, 1129 tablets of MDMA (Ecstasy), 933 grams of opium, and 35 gms of heroin. None of these statistics represent a major change in previous years.

Area administered by Turkish Cypriots: The "Narcotics and Trafficking Prevention Bureau" functions directly under the "General Police Headquarters." From January to October 2009, the Turkish Cypriot authorities arrested 205 individuals for narcotics offenses and seized 15 kg of marijuana/ hashish, 10 grams of heroin, no reported seizure of cocaine, 2 kg of opium, 219 cannabis plants, and a minimal amount of ecstasy. There were no reported deaths related to narcotics. Overall, the police report a decline in drug seizures.

Corruption. As a matter of government policy, Cypriot officials do not facilitate the production, processing, or shipment of drugs, or the laundering of the proceeds of illegal drug transactions in either the Government-controlled area or the area administered by Turkish Cypriots. There is some evidence, however, that a Turkish Cypriot Customs official was involved in the illegal importation of marijuana into the area administered by Turkish Cypriots.

Agreements and Treaties. Cyprus is a party to the 1988 UN Drug Convention, the 1961 Single Convention as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Cyprus is a party to the UN Convention against Transnational Organized Crime and its three protocols, and has signed but has not yet ratified the UN Convention against Corruption. An extradition treaty between the United States and Cyprus entered into force in September 1999. A mutual legal assistance treaty (MLAT) between the United States and Cyprus entered into force on September 18, 2002. In addition, Cyprus and the U.S. have concluded protocols to the extradition and mutual legal assistance treaties pursuant to the 2003 U.S.-EU extradition and mutual legal assistance agreements. The protocols are pending entry into force.

Area administered by Turkish Cypriots: In 1990, a protocol regarding cooperation in the fields of security, trafficking of narcotics and psychotropic materials, battling terrorism, technical education and social relations was signed between the "TRNC" and the Republic of Turkey. The "TRNC" has no other agreements in this field as Turkey is the only country that recognizes it.

Cultivation/Production. Cannabis is the only illicit substance cultivated in Cyprus, and it is grown only in small quantities for local consumption. The Cypriot authorities vigorously pursue illegal cultivation. The police seized 725 cannabis plants in the

Area administered by Turkish Cypriots: The import/export, sale, distribution, possession or cultivation of narcotics is viewed as a serious offense and sentences of up to 15 to 20 years are not unusual. There have been no reports of large-scale cultivation of narcotics, although some individuals have planted cannabis for their own personal use. The police seized 219 cannabis plants during the first nine months of 2009. The seized plants did not come from a large-scale cultivation organization.

Drug Flow/Transit. Although Cyprus is no longer considered a significant transit point for drugs, there were several cases of narcotics smuggling in the past year. Cypriot law enforcement authorities continued to cooperate with the DEA office in Nicosia on several international investigations initiated during 2009. Tourists sometimes bring drugs with them to Cyprus, principally Ecstasy and cannabis. This year, arrests of Cypriots for possession of narcotics with intent to distribute were higher than the number of arrests of non-Cypriots on similar charges, suggesting that Cypriots might be importing narcotics to sell to tourists or trying to develop a domestic market for drugs.

There is no production of precursor chemicals in Cyprus, nor is there any indication of illicit diversion of imported precursor chemicals. Dual-use precursor chemicals manufactured in Europe do transit Cyprus to third countries. Such cargoes are unlikely to be

inspected if they are manifested as goods in transit. The Cyprus Customs Service no longer has the responsibility of receiving manifests of transit goods through Cyprus. This responsibility now rests with the Cyprus Ports Authority. Goods in transit entering the Cypriot free ports of Limassol and Larnaca can be legally re-exported using different transit documents, as long as there is no change in the description of the goods transported. Since these goods do not enter the customs area of Cyprus, they would only be inspected by Cypriot authorities if there were good intelligence to justify such an inspection.

Area administered by Turkish Cypriots: The majority of hashish seized comes from Turkey, whereas heroin comes from Afghanistan by way of refineries in Pakistan, Iran, and Turkey. Ecstasy and cocaine come from Turkey, England and South America, respectively. One method used is the smuggling of illegal narcotics through concealed compartments of vehicles or through containers in cargo ships.

Domestic Programs/Demand Reduction. Cyprus actively promotes demand-reduction programs through the school system and through social organizations. Drug abuse remains relatively rare in Cyprus.

Marijuana is the most commonly encountered drug, followed by heroin, cocaine, and Ecstasy, all of which are available in most major towns. Users consist primarily of young people and tourists. Recent increases in drug use have prompted the Government to promote demand reduction programs actively through the school system and social organizations, with occasional participation from the DEA office in Nicosia. Drug treatment is available.

Area administered by Turkish Cypriots: The Turkish Cypriot community has introduced several demand reduction programs, including regular seminars on drug abuse education for school counselors and teachers.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The U.S. Embassy in Cyprus, through the regional DEA office, works closely with the Cypriot police force to coordinate international narcotics investigations and evaluate local narcotics trends. Relying on its liaison offices in other regional countries, DEA assists the new coordination unit in establishing strong working relationships with counterparts in the region. DEA

also works directly with Cypriot customs, in particular, on development and implementation of programs to ensure closer inspection and interdiction of transit containers. During 2009, DEA Cyprus funded the travel of several Cypriot officers to attend DEA hosted training in Greece and Jordan.

The Road Ahead. The USG enjoys close cooperation with the Cypriot Office of the Attorney General, the Central Bank, the Cyprus Police, and the Customs Authority in drug enforcement and anti-money laundering efforts. In 2009, the USG will continue to work with the Government of Cyprus to strengthen enforcement of existing counternarcotics laws and enhance Cypriot participation in regional counternarcotics efforts. DEA regularly provides information and insight to the GOC on ways to strengthen counternarcotics efforts. New laws to empower members of the Drug Law Enforcement Unit in their fight against drug traffickers are currently before Parliament. DEA Cyprus has an Airport Asset/Interdiction school planned for Cyprus late in 2010.

END TEXT

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